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Ad Hoc Working Group on the Durban Platform for Enhanced Action

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Workplan on enhancing mitigation ambition

Views on options and ways for further increasing the level of ambition

Submissions from Parties

Addendum

1. In addition to the 19 submissions contained in document FCCC/ADP/2012/MISC.1, two further submissions have been received.
2. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing. The secretariat will continue to post any submissions received after the issuance of the present document on the UNFCCC website.¹

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

¹ Available at <<http://unfccc.int/6656.php>>.

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I. Overview

In Durban, Parties took the major step of agreeing to negotiate a new international climate change agreement by 2015, and created the Ad Hoc Working Group on the Durban Platform for Enhanced Action (AWG-DPEA) to take this work forward. Discussions on the new agreement should facilitate and support the efforts of Parties to increase their ambition consistent with the common objective of holding global average temperature rise below 2 degrees Celsius. Australia welcomes the opportunity to submit views on options and ways to increase the level of ambition.

This submission starts from the understanding that global action will rely on domestic action by all major economies – including those that are Non-Annex I Parties and those that do not join a second commitment period of the Kyoto Protocol. It sets out elements of a multilateral environment that would facilitate domestic action. These are:

- an opportunity to showcase the broadest possible range of national action by creating a place accessible to all Parties – for example annexes to COP decisions – for Parties to voluntarily put forward new or additional undertakings building on the pledges many Parties have made under the Cancun Agreements;
- annual consideration of ambition to 2015 and beyond, so that Parties have a regular opportunity, even as negotiations on the new agreement continue, to consider their pledges and can, for example, consider moving up their pledge range as they see greater global action;
- transparency, to give governments confidence that they are not acting alone;
- continued learning and information-sharing through workshops; and
- International Assessment and Review (IAR) and International Consultations and Analysis (ICA).

These elements would encourage Parties, including those that have not made a pledge under the Cancun Agreements and those with no commitments under the Kyoto Protocol, to explore ways of enhancing their domestic efforts. Enhanced domestic efforts will help ensure that collective action can achieve the 2 degree goal. Providing a place in which all Parties can put forward new actions – in annexes to COP decisions, for example – would provide a step towards a negotiated outcome in 2015. The annexes could be put in place in parallel to the Kyoto Protocol, which continues to be a vehicle to put forward new commitments for Parties that join a second commitment period.

II. Creating a multilateral environment to enable ambition

Multilateral negotiations up to 2015 should help raise global ambition by encouraging and supporting domestic action while accommodating the diverse national circumstances of Parties. Australia believes the pledges put forward by ninety Parties under the Cancun Agreements offer a sound basis

for further action. It will be important that for those Parties that have not put forward a Cancun pledge to do so promptly, as a sign of commitment to implementing the Cancun Agreements and to the Durban Platform negotiations.

In 2011, Australia introduced a range of major reforms aimed at reducing its greenhouse gas emissions. These reforms represent a concerted effort to decouple Australia's economic growth from growth in emissions. They enable Australia to stand behind its full target range under the Cancun Agreements, including an unconditional reduction of five per cent on 2000 levels by 2020 (a 23 per cent reduction on BAU levels). The central pillar of these reforms, a Carbon Pricing Mechanism, has enabled Australia to commit to increase its long-term target to reduce emissions by 80 per cent on 2000 levels by 2050.

Australia's experience in legislating these reforms underlines the value of creating an international negotiating environment that is sensitive to the domestic policy-making processes of Parties and encourages action at home.

Showcasing domestic action

Domestic action will drive collective ambition. As the negotiations move forward, it will be important for Parties to have a clear place, accessible to all, in which to put forward new or enhanced mitigation undertakings pursuant to the Cancun Agreements should they wish to do so. Annexes attached to regular COP decisions on ambition would provide a vehicle for this. The annexes should be capable of recognising the full diversity of mitigation undertakings. They could operate in parallel to a second commitment period under the Kyoto Protocol, thus providing an additional element of inclusiveness in international mitigation efforts.

Annexes would give all Parties an opportunity to voluntarily demonstrate the full scale of their mitigation undertakings in line with their national circumstances and capabilities. They would help provide certainty for Parties about what others are doing. In this way, they would encourage Parties to engage constructively in the international negotiations on ambition and generate momentum towards stronger levels of ambition. Annexes could provide a concrete step towards a negotiated outcome in 2015 that is capable of achieving the 2 degree goal.

Annual consideration of ambition

An annual decision dedicated to ambition, starting at COP 18 in Qatar, would build consideration of ambition into the negotiations in advance of the submission of the first biennial reports (2014-2015), publication of the IPCC's Fifth Assessment Report (2014) and finalisation of the 2013-2015 Review.

The decision could capture the progress of Parties under the ambition work plan agreed at Durban, and highlight areas for further work. It could also record common approaches to increasing ambition that are agreed among Parties, and any changes to the work plan. The decisions would offer Parties the chance to take account of the latest scientific information as it becomes available, including from the IPCC and the 2013-2015 Review. Parties could, for example, put forward additional actions within their existing Cancun pledge as they see conditions met for moving up their Cancun target range or, particularly in the case of Parties yet to put forward a target, an entirely new pledge, on a voluntary basis in the annex.

This process would link Parties' discussion of collective action under the Durban Platform to the domestic action that will drive it. It would ensure that Parties receive due recognition for actions taken at home, and, in turn, support constructive engagement in the international negotiations on ambition. It would also increase the information available to Parties on the efforts of others.

By encouraging mutual reinforcement between domestic and international action, the annual process could help ensure that the new agreement captures a level of ambition consistent with achieving the 2 degree goal – an objective to which Australia remains strongly committed.

Transparency

Transparency provides certainty that Parties are taking mitigation action. This is a crucial element in creating conditions for ambition to grow. Australia's experience in the domestic debate surrounding its Carbon Pricing Mechanism and related reforms is that strong domestic action is difficult to sustain if there is not a clear understanding of the efforts being undertaken by others. All countries will need further evidence of action by others – the major emitters in particular – as they examine scope for greater action. Annexes would generate visibility of effort by providing a space for Parties to put forward enhanced mitigation undertakings annually, consistent with their national circumstances and capabilities.

The process envisaged in this submission would augment the **measurement, reporting and verification** (MRV) processes agreed at Durban. Once implemented, these MRV processes have the potential to build momentum towards stronger domestic action and higher collective ambition levels. Australia urges Parties to implement these processes fully and participate constructively in them. It will be important to ensure that transparency negotiations under the Durban Platform support and complement implementation of the Durban transparency decisions.

Consideration of ambition under the Durban Platform can proceed in parallel with the ongoing work on **clarification of pledges** in the AWG-LCA. Clarification is vital to better understand existing targets and actions under the Cancun Agreements. By facilitating the estimation or quantification of actions and targets, clarification can play an important part in building global confidence in enhanced mitigation action. This is vital to collective efforts to reach a global agreement that meets the 2 degree goal. Australia has made a parallel submission on clarification setting out clearly the targets it has set, the policies and measures by which it will achieve those targets and the assumptions and methodologies underlying these measures.

Australia also supports continued work on common approaches to **accounting** for mitigation undertakings. A framework of common rules with flexibility for national circumstances will help achieve clarity on emissions outcomes and implementation.

Learning and information-sharing

Parties will be in a stronger position to consider enhanced mitigation undertakings as they learn from experience, deepen their capabilities and gain confidence. Learning and information-sharing should be a feature of the international negotiations on ambition as we move towards 2015.

The Durban decisions envisage several mitigation-related workshops in 2012, including on ambition, clarification of targets of developed countries, and enhancing understanding of the nationally

appropriate mitigation actions of developing countries. Such events will offer valuable opportunities for Parties to learn from others and explore options for improving practices. They can also generate additional transparency of domestic mitigation actions.

In the longer-term, the International Assessment and Review (IAR) and International Consultations and Analysis (ICA) processes will offer similar opportunities. It will be important that such opportunities continue to be built into international mitigation negotiations to 2015.

III. The role of markets in assisting enhanced action

Well-functioning and comprehensive carbon markets facilitate effective mitigation at lowest possible cost. As such, they play a key role in enabling governments around the world to commit to, and achieve, ambitious mitigation targets and actions that can help achieve the below 2 degrees goal.

The potential for market mechanisms to enhance the cost effectiveness of mitigation actions is well documented. Economic analysis conducted by *The Garnaut Climate Change Review: Final Report* (2008)¹, and by the Australian Government² indicate that emissions pricing generated by domestic market mechanisms can achieve substantial cost benefits, in comparison to purely regulatory approaches, to attain the same abatement target. Further analysis indicates that meeting abatement targets without internationally-tradable emissions units will increase mitigation costs³. Organisation for Economic Co-operation and Development (OECD) modelling estimates that a fully integrated global carbon market developed by 2020 could ensure a 50 per cent emissions reduction by 2050, relative to 2005 levels, at an average cost of just 0.11 per cent of world GDP growth per annum⁴.

Market mechanisms can also create incentives for the innovation and diffusion of low-carbon technologies that can assist countries' transition to low-emissions development pathways. Such mechanisms may also prove an important means for mobilising long-term private sector finance to support mitigation and adaptation efforts in developing countries. In these ways, markets can contribute to the mitigation ambition of all Parties and enable collective ambition levels to rise.

To fully realise the potential of markets to enhance mitigation ambition at least cost, all UNFCCC Parties should have access to a broad range of market mechanisms. Australia supports the ongoing efforts to expand and improve the efficiency, transparency and accountability of existing market mechanisms. We look forward to actively participating in the work programs established at Durban to define a new market-based mechanism, and conduct a work program in the AWG-LCA to consider a framework for market-based approaches.

¹ Ross Garnaut, *The Garnaut Climate Change Review: Final Report* (2008), pp. 310-311.

² *Report of the Prime Ministerial Task Group on Emissions Trading* (2007), <<http://pandora.nla.gov.au/pan/72614/20070601-0000/www.pmc.gov.au/publications/emissions/index.html#viewing>>, Box 3.2, p. 46; Australian Government Department of Treasury, *Australia's Low Pollution Future: The Economics of Climate Change Mitigation* (2008), <<http://www.treasury.gov.au/lowpollutionfuture>>, p. 195.

³ Organisation for Economic Co-operation and Development, *The Economics of Climate Change Mitigation: Policies and Options for Global Action beyond 2012* (2009), p. 112; Garnaut, above n 2, pp. 337-338; Australian Treasury, above n 3, Chapter 5.

⁴ OECD, above n 4, p. 49.

Submission by the Republic of Lebanon

(FCCC/CP/2011/L.10, paragraph 8)

Establishment of an Ad Hoc Working Group on the Durban Platform for Enhanced Action Views by Parties and observer organizations on options and ways for further increasing the level of ambition.

Lebanon welcomes the opportunity to submit its views on options and ways to increase the level of ambition as requested by paragraph 8 of the decision 1/CP.17 while emphasizing the need for ADP to equally address mitigation, adaptation, finance, technology development and transfer, transparency of action, and support and capacity-building.

Means to increase the level of ambition:

- We reiterate the responsibility of Annex I Parties of the Convention to take the lead in pledging more ambitious emission reductions which are consistent with the 25-40% as recommended by the IPCC Fourth Assessment Report, in order to reduce the gap, and to be reassessed based on the outcomes and recommendations of the IPCC 5th AR. This could be accomplished by the further elaboration of national low emission development pathways.
- In parallel, developing countries are encouraged to move towards low emission pathways (LEDS) and therefore participate in reducing the gap based on common but differentiated responsibilities and equity. This dissemination will require the adequate financial and technical support including capacity building and technology transfer from developed countries.
- LEDS should be based on the life cycle thinking approach for both developed and developing countries.
- All relevant emissions must be included in the mitigation efforts, including maritime and aviation transport bearing in mind that all mitigation actions, policies and measures taken to combat climate change, shall not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade in line with the common but differentiated responsibilities of Parties and conducted in a globally consorted manner.
- Enhancing and widening the global carbon market and encouraging increased and equal participation will provide a strong incentive for cost-effective emission reductions, as well as dissemination of climate-friendly technologies.
- Both mitigation and adaptation should be dealt with in parallel and be given equal distribution. This consideration should entail technology, finance and capacity building in order to increase the resiliency of developing countries to the adverse impacts of climate change.